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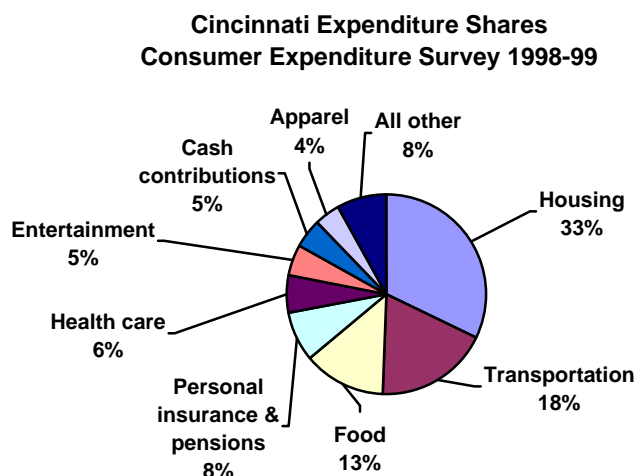
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## CONSUMER SPENDING PATTERNS IN CINCINNATI-HAMILTON, OHIO, 1998-99

Consumer units in the Cincinnati-Hamilton, Ohio metropolitan area spent an average of \$37,376 per year in 1998-99, 3.3 percent more than in 1996-97 and 3.1 percent more than the national average, according to the Bureau of Labor Statistics of the U.S. Department of Labor. Cincinnati area households spent close to the nationwide average for food, transportation, and apparel, but slightly more for housing. However, spending on personal insurance and pensions was below the U.S. average.

The average Cincinnati household spent 64 percent of its budget on housing, transportation, and food. This was similar to the share (65 percent) spent by households nationally and to that spent in Cleveland (63.7 percent). (See table 1.) Elsewhere in the Midwest, the typical Chicago and Detroit households spent a higher proportion of their budgets on these three expenditures at 65.6 and 67.6 percent, respectively. (See technical note for definitions of terms and geographical areas referenced in this release. For convenience, the terms consumer unit and household are used interchangeably.)



This report contains annual data averaged over a two-year period - 1998 and 1999. The data are from the Consumer Expenditure Survey, which is collected on an ongoing basis by the Bureau of the Census for the Bureau of Labor Statistics (BLS). The Consumer Expenditure Survey is the only national survey that provides both complete data on household expenditures and the demographic characteristics of those households. Survey data cannot be used to make cost of living comparisons between areas. Expenditures vary among areas not only because of economic factors such as the price of goods and services and family income, but also because of differences such as the age of the population, climate, consumer tastes, family size, etc. The survey provides average expenditures for consumer units. An individual consumer unit may spend more or less than the average, depending on its particular characteristics.

On average, housing costs accounted for 32.3 percent of total household expenditures in the Cincinnati area. This was close to what consumer units spent nationwide (32.7 percent) and similar to Cleveland's share (31.7 percent) but less than that spent in Detroit (34.2 percent) and Chicago (36.0 percent). The majority of housing expenditures in Cincinnati (57.4 percent) were spent on shelter costs which include home purchase, mortgage interest, property taxes, repairs, and rent, among other items. Spending on utilities, fuels and services accounted for 19.4 percent of total housing expenses in Cincinnati. This was very close to the national average and to the percentage spent in the other three selected Midwest cities. (See table A.) The rate of homeownership in Cincinnati, at 62 percent, was below that for the nation at 65 percent.

Table A. Percent distribution of housing expenditures for the U.S. and selected areas, 1998-99

Item	U.S. Average	Cincinnati	Chicago	Cleveland	Detroit
Total	100.0	100.0	100.0	100.0	100.0
Shelter	57.8	57.4	61.2	58.1	58.4
Utilities, fuels & services	20.2	19.4	19.3	21.1	20.0
Household operations	5.1	6.6	3.8	3.4	5.2
Housekeeping supplies	4.1	3.6	4.1	4.6	4.3
Household furnishings	12.7	13.0	11.6	12.7	12.1

Transportation was the second largest expenditure category in the Cincinnati area, accounting for 18.3 percent of a household's budget, not much different from the 18.8 percent spent nationally. Likewise, the proportion of expenditures spent on transportation in both Cleveland and Detroit were close to the U.S. average. Chicago households spent proportionally less on transportation at 16.3 percent. Of the \$6,857 annual expenditure on transportation in Cincinnati, 95.2 percent was spent buying and maintaining private vehicles. (See table 2 for detailed expenditure levels.) The average number of private vehicles per household in Cincinnati was 1.9, matching the nationwide average. In the other three Midwestern cities, Cleveland and Detroit averaged 2 vehicles per household and Chicago, 1.6.

Cincinnati households spent 13.4 percent of their budget on food. This was very close to the national average and to the proportion spent by consumer units in Chicago and Cleveland. Food expenditures accounted for a larger share of a Detroit household's budget at 14.6 percent. Cincinnati households spent 52.2 percent of their food budget on food prepared at home, the lowest share among the four Midwest areas. This was also less than the 57.9 percent share spent nationally. The remaining 47.8 percent of food costs in Cincinnati was spent on food prepared away from home, such as restaurant meals, carry-outs, board at school, and catered affairs.

Payments for personal insurance and pensions accounted for 8.1 percent of the typical Cincinnati household budget, almost matching the share spent in Detroit (8.2 percent), but falling below that spent by households in Chicago (8.6 percent) and Cleveland (9.9 percent). Nationwide, spending on personal insurance and pensions accounted for 9.4 percent of a household's total expenditures. Social Security and pension contributions accounted for 87.8 percent of a Cincinnati consumer unit's expenses in this category.

Spending on apparel and related services accounted for 4.3 percent of total expenditures in Cincinnati, below the national average of 4.7 percent. Households in Cleveland, Chicago and Detroit, at 4.7, 4.9 and 5.4 percent, respectively, all spent a greater share of their budget on apparel than did a typical consumer unit in Cincinnati.

Out-of-pocket health care expenses, including health insurance premiums, medical services, prescription and nonprescription drugs, and medical supplies, accounted for 6.1 percent of total household expenditures in Cincinnati. This was above the national average of 5.3 percent and was the highest among the four selected Midwestern cities.

Cincinnati area households spent 5.0 percent of their budgets on entertainment, very close to the nationwide average. Expenditure shares for this category were higher in Detroit and Cleveland at 5.6 and 6.1 percent, respectively. Chicago households spent proportionally less, allocating 4.6 percent of their budgets to entertainment.

Cash contributions accounted for 4.7 percent of a typical consumer unit's spending in Cincinnati. This was highest among Midwest cities and exceeded the 3.2 percent spent by households nationally.

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### **Additional Data Available**

Data tables are available for the four Census regions and for the national average. These tables may be obtained from the Bureau's automated Fax-on-Demand service. See below. Additional tables are offered under the heading "*Tables*" on the BLS Internet site <http://www.bls.gov/csxhome.htm>.

BLS Fax-on-Demand - Chicago (312) 353-1880	Number of pages	Document no.
Consumer Expenditures in 1999 - national news release (annual)	2	2705
Data tables containing consumer expenditures-		
By quintiles of income before taxes (Table 1)	3	2710
By income before taxes (Table 2)	3	2715
By age of reference person (Table 3)	3	2720
By size of consumer unit (Table 4)	3	2725
By composition of consumer unit (Table 5)	3	2730
By number of earners (Table 6)	3	2735
By housing tenure, race, Hispanic origin, and type of area - urban or rural (Table 7)	3	2740
By region of residence (Table 8)	3	2745
By occupation of reference person (Table 9)	3	2750
By education of reference person (Table 10)	3	2760

### **Technical Note**

The current Consumer Expenditure Survey program began in 1980. Its principal objective is to collect information on the buying habits of American consumers. The consumer expenditure data are used in a wide variety of research by government, business, labor, and academic analysts. The data are also required for periodic revision of the Consumer Price Index (CPI). The survey consists of two components: A Diary or recordkeeping survey completed by participating consumer units for two consecutive 1-week periods which collects data on frequently purchased, smaller items, and an Interview survey in which the expenditures on larger-cost items and those that occur on a regular basis are obtained in five interviews conducted every 3 months. The data presented in this release are based on integrated data from both surveys.

Each component of the survey queries an independent sample of consumer units which is representative of the U.S. population. Over the year, about 7,500 consumer units are sampled for the Diary survey. The Interview sample is conducted on a rotating panel basis, with about 7,500 consumer units participating each quarter. The data are collected on an ongoing basis in 105 areas of the country.

The Metropolitan Statistical Areas (MSAs) covered by the Consumer Expenditure Survey represent areas designated by the U.S. Office of Management and Budget and are based on definitions in effect as of December 1992. Generally speaking, a MSA consists of one or more counties and meets specified size criteria—either it contains a city of at least 50,000 inhabitants, or it contains an urbanized area of 50,000 inhabitants, and has a population of at least 100,000 (75,000 in New England). The largest MSAs are classified as Consolidated Metropolitan Statistical Areas (CMSAs), loosely defined as metropolitan areas with a population of at least 1 million which have been divided into two or more sub-areas each having a population of at least 100,000 called Primary Metropolitan Statistical Areas (PMSAs). Due to a change in sampling frame and in area definitions, local data for the 1998-99 period are not directly comparable to data prior to 1996. The following are definitions of the areas discussed in this release:

The Cincinnati-Hamilton, IN-OH-KY Consolidated Metropolitan Statistical Area (CMSA) is comprised of the counties of Dearborn and Ohio in Indiana; Brown, Clermont, Hamilton, and Warren in Ohio; Boone, Campbell, Gallatin, Grant, Kenton, and Pendleton in Kentucky.

The Chicago-Gary-Kenosha, IL-IN-WI CMSA includes the counties of Cook, Dekalb, DuPage, Grundy, Kankakee, Kane, Kendall, Lake, McHenry, and Will in Illinois; Lake and Porter in Indiana; and Kenosha in Wisconsin.

The Cleveland-Akron, OH CMSA includes the counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit.

The Detroit-Ann Arbor-Flint, MI CMSA includes the counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne.

### **Definitions**

**Consumer unit** A single person living alone or sharing a household with others but who is financially independent; members of a household related by blood, marriage, adoption, or other legal arrangement; or two or more persons living together who share responsibility for at least 2 out of 3 major types of expenses - food, housing, and other expenses. The terms household or consumer unit are used interchangeably for convenience.

**Complete income reporter** In general, a consumer unit that provides values for at least one of the major sources of its income such as wages and salaries, self employment income, or Social Security income. Even complete income reporters may not have provided a full accounting of all income from all sources.

Table 1. Consumer unit characteristics and percent distribution of expenditures, U.S. average and selected metropolitan areas, Consumer Expenditure Survey, 1998-99

Item	United States Average	Cincinnati	Chicago	Cleveland	Detroit
Consumer unit characteristics:					
Income before taxes <sup>1/</sup>	\$42,770	\$44,872	\$47,591	\$47,202	\$47,539
Age of reference person	47.8	47.5	48.3	49.7	47.2
Average number in consumer unit:					
Persons	2.5	2.4	2.6	2.5	2.6
Children under 18	.7	.6	.8	.7	.8
Persons 65 and over	.3	.3	.3	.3	.3
Earners	1.3	1.4	1.4	1.3	1.3
Vehicles	1.9	1.9	1.6	2.0	2.0
Percent homeowner	65	62	64	71	71
Average annual expenditures	\$36,251	\$37,376	\$38,153	\$37,676	\$38,097
Total (percent):	100.0	100.0	100.0	100.0	100.0
Food	13.6	13.4	13.3	13.1	14.6
Alcoholic beverages	.9	1.0	1.1	.8	.9
Housing	32.7	32.3	36.0	31.7	34.2
Apparel & services	4.7	4.3	4.9	4.7	5.4
Transportation	18.8	18.3	16.3	18.9	18.8
Health Care	5.3	6.1	5.1	4.4	4.5
Entertainment	5.1	5.0	4.6	6.1	5.6
Personal care products & services	1.1	1.0	1.1	1.3	1.4
Reading	.4	.5	.4	.5	.5
Education	1.7	1.8	2.5	1.7	1.0
Tobacco products & smoking supplies	.8	1.1	.7	.9	1.1
Miscellaneous	2.4	2.5	2.0	3.6	2.1
Cash contributions	3.2	4.7	3.3	2.5	1.8
Personal insurance & pensions	9.4	8.1	8.6	9.9	8.2

<sup>1/</sup> Components of income and taxes are derived from "complete income reporters" only; see definitions.

Table 2. Average annual expenditures, U.S. average and selected metropolitan areas, Consumer Expenditure Survey, 1998-99

Item	United States Average	Cincinnati	Chicago	Cleveland	Detroit
Average annual expenditures	\$36,251	\$37,376	\$38,153	\$37,676	\$38,097
Food	4,921	4,994	5,092	4,940	5,580
Food at home	2,848	2,605	2,802	2,892	3,126
Food away from home	2,073	2,389	2,290	2,048	2,454
Alcoholic beverages	313	356	411	295	346
Housing	11,843	12,071	13,730	11,945	13,023
Shelter	6,849	6,932	8,406	6,942	7,603
Utilities, fuels & services	2,391	2,341	2,647	2,523	2,607
Household operations	606	797	520	410	673
Housekeeping supplies	490	433	567	554	558
Household furnishings	1,506	1,568	1,590	1,515	1,582
Apparel & services	1,708	1,595	1,888	1,777	2,056
Transportation	6,815	6,857	6,233	7,133	7,162
Vehicle purchases (net outlay)	3,136	3,108	2,779	3,471	2,854
Gasoline & motor oil	1,036	1,029	928	916	1,054
Other vehicle expenses	2,230	2,388	1,958	2,304	2,835
Public transportation	413	332	568	442	419
Health care	1,931	2,280	1,951	1,661	1,701
Entertainment	1,844	1,851	1,771	2,294	2,123
Personal care products & services	405	369	429	481	532
Reading	160	183	151	201	178
Education	607	691	938	632	399
Tobacco products & smoking supplies	287	402	266	321	403
Miscellaneous	864	948	778	1,345	813
Cash contributions	1,145	1,752	1,248	928	676
Personal insurance & pensions	3,409	3,029	3,267	3,723	3,106
Life & other personal insurance	396	371	392	416	394
Pensions & Social Security	3,012	2,658	2,875	3,307	2,712